

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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## Former N.J. Business Owner Sentenced to 46 Months in Prison for Tax Evasion and Multimillion Dollar Fraud Scheme

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NEWARK – A former New Jersey business owner was sentenced today to 46 months in federal prison for failing to report to the IRS more than \$1.9 million in income he received as part of a multimillion dollar fraud scheme, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Dennis M. Cavanaugh also fined Abie Moskowitz, 58, of Brooklyn, N.Y. \$24,000 due immediately. To date, Moskowitz has paid \$1.2 million in forfeited funds from the fraud.

Judge Cavanaugh ordered Moskowitz to surrender to the federal Bureau of Prisons to begin serving his prison sentence at a date to be determined by the Bureau of Prisons.

Moskowitz pleaded guilty on Feb. 21, 2006, to one count of tax evasion, two counts of aiding and assisting tax evasion, and one count each of bank fraud, mail fraud and conspiracy to commit money laundering.

At his plea hearing, Moskowitz admitted that between about January 1998 and December 2001, he received unreported income in the form of corporate checks drawn on 10 corporate accounts he either controlled or had access to, and deposited those checks into his personal bank accounts.

During that time, he said he was a 50-percent owner in Sea Jet Trucking/APA Warehouse, Inc., a commercial shipping and storage business located in Carteret. Moskowitz admitted that for calendar years 1998, 1999 and 2000, he failed to report a total of approximately \$1,980,609 in income.

Moskowitz also admitted that on various occasions during 2000 and 2001, at his suggestion, Simon Molinsky, the owner of Smart Telecom, in New York, caused corporate checks to be issued, which were payable to fictitious vendors which allowed Molinsky not to have to report the cash he received from Moskowitz as income on his 2000 and 2001 individual income tax returns. In these instances, Molinsky wrote the corporate checks for goods he did not actually receive and gave the checks to Moskowitz.

Moskowitz admitted that he then gave the face value of the corporate checks back to Molinsky, in cash, less a small percentage, which Moskowitz said he kept as a fee for his role in the scheme.

Molinsky was sentenced on Jan. 22, 2007, to 15 months in prison for his guilty plea to tax evasion for calendar years 2000 and 2001.

Moskowitz admitted that in addition to the tax schemes, he engaged in a bank fraud scheme that began in November 2000 and continued through March 2001. During that

time, Moskowitz said he maintained checking accounts in the name of JSA at Sovereign Bank in West Orange, N.J., and C&M at Fleet Bank in West Orange, and used those accounts with full knowledge that the entities had ceased doing business and were dormant accounts.

Moskowitz further admitted that he used accounts at Summit Bank in the names of JYB and AANN, Inc. with full knowledge that these were shell companies with no legitimate business purpose. Moskowitz also admitted his role in a mail fraud scheme that involved mailing a Federal Express envelope containing approximately \$378,705 in fraudulent checks to an individual in Israel.

Moskowitz also admitted that he engaged in a money laundering scheme that began in about June 2000 and continued to at least as late as June 2001. That scheme, in part, included, third-party checks totaling approximately \$2 million that Moskowitz said he deposited into the JSA Account. He then caused the proceeds of the checks to be wired from the JSA Account to various bank accounts which were located in Toronto, Canada and Israel.

In all, Moskowitz admitted that he conspired to conduct financial transactions which involved the disposition of approximately \$3.88 million in bank fraud proceeds and the disposition of approximately \$378,705 in mail fraud proceeds. He admitted knowing that the property represented the proceeds of some form of unlawful activity and knowing that the transactions were designed to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the bank fraud and mail fraud.

For the investigation of Moskowitz and others, Christie credited Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord; Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun; and Postal Inspectors with the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge David L. Collins.

The case was prosecuted by Assistant U.S. Attorney Deborah J. Gannett.

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Defense Counsel: Paul Brickfield, Esq., River Edge, N.J. and Alan Ellis, Esq., Mill Valley, Ca.